

TENNESSEE REGULATORY AUTHORITY



Deborah Taylor Tate, Chairman
Pat Miller, Director
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460 James Robertson Parkway
Nashville, Tennessee 37243-0505

June 10, 2004

Charles B. Welch, Jr.
Farris Matthews Branam Bobango Hellen & Dunlap, PLC.
618 Church Street, Suite 300
Nashville, TN 37219

RE: Petition of Adelphia Business Solutions, Inc., Adelphia Business Solutions Investment LLC, Adelphia Business Solutions Atlantic, Inc. and Adelphia Business Solutions Operations, Inc. (all d/b/a TelCove) for Approval to Issue Debt; Our Docket No. 04-00168.

Dear Mr. Welch:

In anticipation of the debt issuance as set forth in the Petition, enclosed is a staff data request which will allow us to more effectively review the petition. It is requested that you provide thirteen (13) copies when submitting your response. The response should be received in this office no later than May 15, 2004.

Pursuant to Tennessee Code Annotated 65-4-109, *the Authority must determine whether proposed financing transactions are compliant with state law and that the purpose of the financing meets the Authority's approval.* This rule further states that: *No public utility shall issue any stocks, stock certificates, bonds, debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the (TRA) for such proposed issue.*

Therefore, please provide further clarification as requested below.

1. Have the Petitioners filed similar petitions in other states and what is the status of any such petition?
2. Have the Petitioners applied for approval of the debt issuance from any Federal Agency. Have they notified any Federal Agency? If so, what is the status of any such application or notification?
3. How many customers does TelCove currently have in Tennessee?
4. What is the value of the assets of TelCove in Tennessee that will be pledged as collateral?
5. What percentage of the debt issued will be recorded on the books of the Tennessee TelCove subsidiaries and at what percentage of interest will Tennessee ratepayers have to pay on this financing?

6. For each operating subsidiary of TelCove, provide an analysis showing the specific benefits accruing to Tennessee ratepayers other than enhancing the financial viability of TelCove.
7. You state on page 4 of your petition, bottom paragraph, "*Approval of this Petition will also allow customers to continue to receive service without the threat of having to involuntarily change carriers.*" Does this indicate in any manner that if this debt is not approved, the ratepayers in Tennessee may have to change carriers?
8. For each operating subsidiary of TelCove in Tennessee show the existing level of working capital and the projected working capital after the issuance.
9. What is the projected closing date for this transaction?

If you have any questions concerning this data request, please contact me at 615-741-2904, ext. 150.

Sincerely,



Aster Adams, Chief
Competitive Markets & Policy Division

C. Deborah Taylor Tate
Sharla Dillon